

The Financial Wellness Playbook



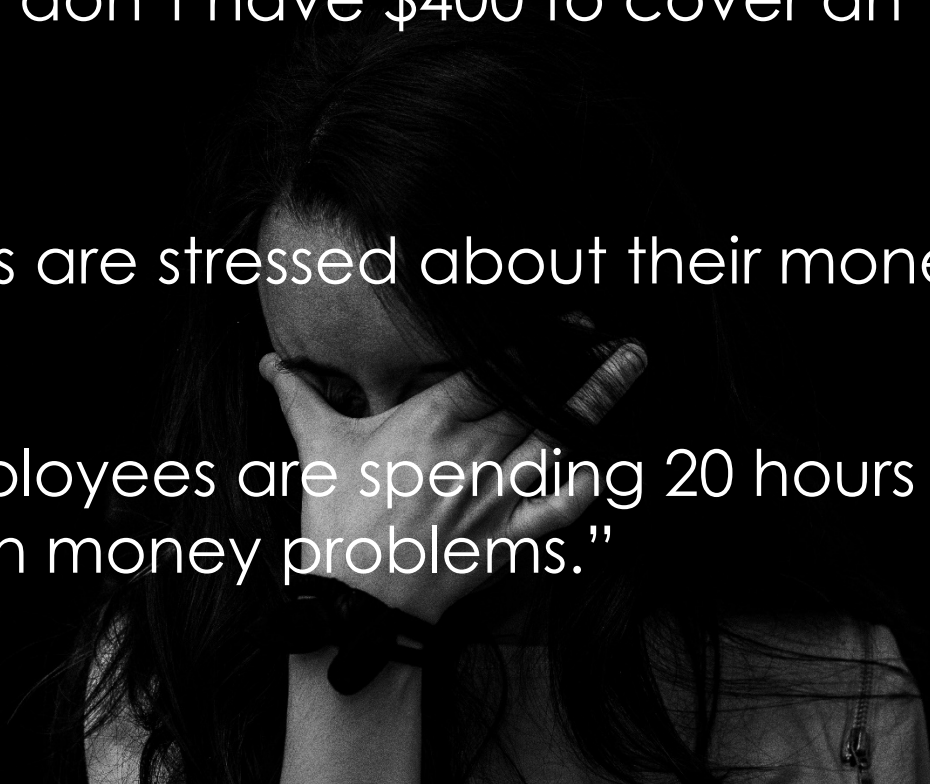
The problem is clear...



“46% of Americans don’t have \$400 to cover an emergency”

“54% of employees are stressed about their money”

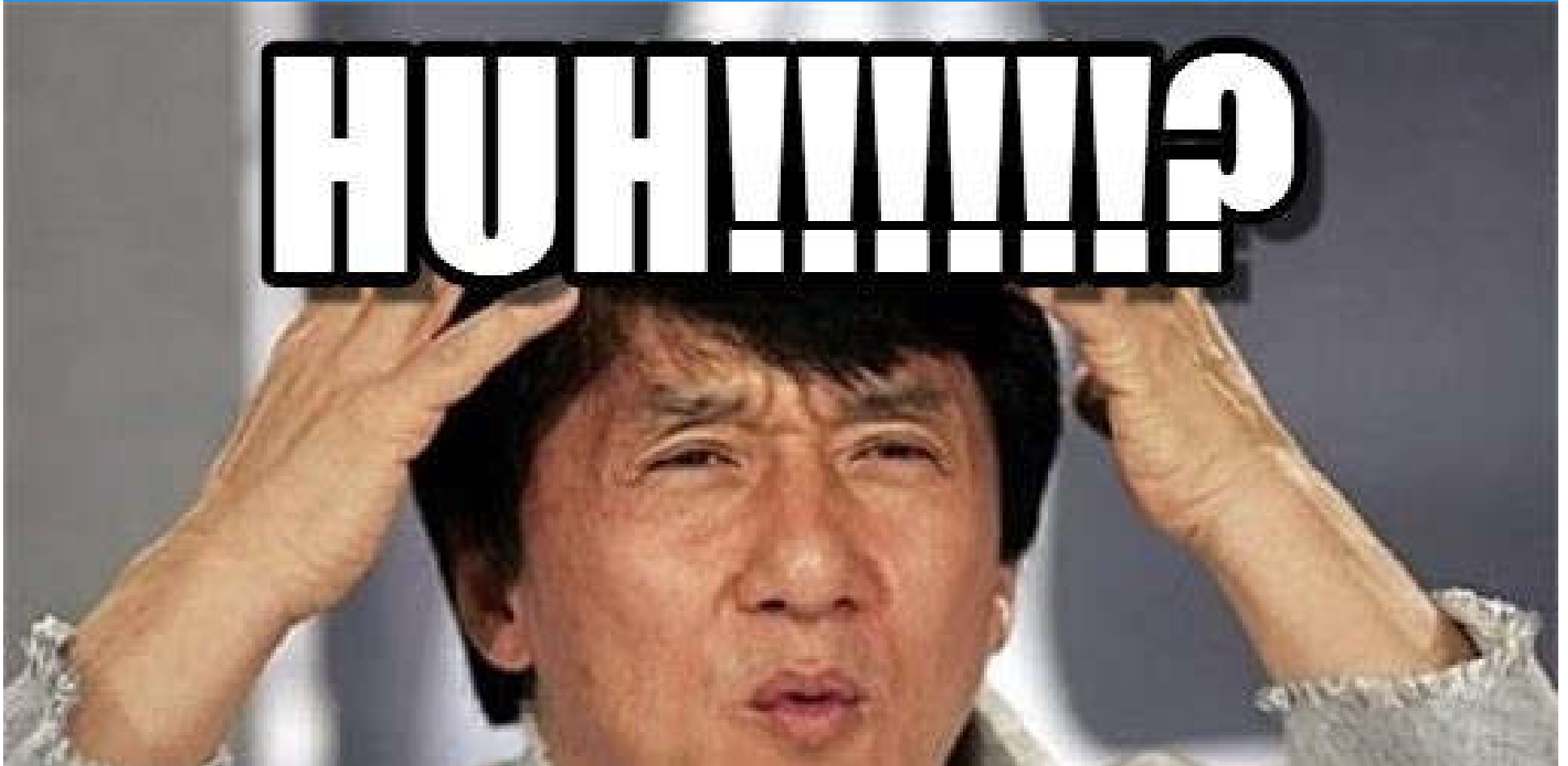
“On average, employees are spending 20 hours per month dealing with money problems.”



Financial Wellness today



HUH!!!!!!?



Let's get real



There's no single solution

Products alone don't change behavior

'Self help' programs look pretty but don't solve problems

Many people are stressed about money but won't change

Leadership is supportive but not necessarily providing budget

Agenda

Introduction

What is financial wellness? (A Playbook)

Broke Betty
Momentum Mandy
Accelerating Alisha
Finish Line Frida

Parting shots

Our process



Segmented thousands of coaching clients



Broke Betty



Momentum Mandy



Accelerating Alisha



Finish Line Frida

- 1 What defines progress?
- 2 What do they need to make progress?
- 3 What tools/resources can help?

The Playbook



Adopt a Financial Roadmap

Solve Real People's Problems

Broke Betty

*Momentum
Mandy*

*Accelerating
Alisha*

Finish Line Frida

Complement Insurance and Investments

Give Authentic, Human Support

The Playbook



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Adopt a Financial Roadmap



Income
- Expenses

= FUEL

FILL 7-TANKS

- 1 Retirement Match
- 2 1-Month Emergency Fund
- 3 Pay off Bad Debt
- 4 3-6 Month Emergency Fund
- 5 20% of Gross Income to Retirement
- 6 Children's College
- 7 Bucket List

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Case Study



Broke Betty

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Accelerating
Alisha

Finish Line Frida



Monthly Snapshot

Income \$3,650

Expenses -\$3,900

Financial Fuel **-(\$250)**

Debt

Credit Card Debt \$4,500

Medical Debt \$400

Savings

Retirement \$2,000

Non-retirement \$0

*Younger (20-30s)
Outstanding 401(k) loans
Hardship loans*

What needs to happen



Broke Betty

- Increase income
- Cut expenses
- Avoid debt
- Start budgeting

Increasing income



Broke Betty

55



Americans Workers With Side Gigs



~50% of gig workers have a full time job



Broke Betty



Broke Betty

Reduce Expenses

- Cheaper banking
- Corporate discounts
- HSA / Wellness perks

BENEPLACE



YouDecide
VOLUNTARY BENEFITS OUTSOURCING



Avoid Debt

- Hardship program
- Purchase programs
- Early pay
- 401(k) loans



**SALARY
FINANCE**

Budgeting

- Frequency
- Using cash
- Apps

YNAB.



Case Study

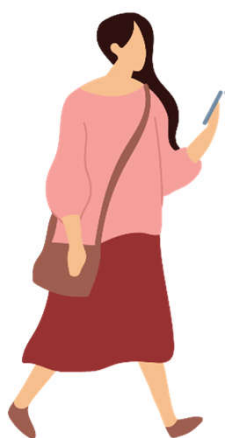


Broke Betty

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Monthly Snapshot

Income \$4,250

Expenses -\$3,900

Financial Fuel \$350

Debt

Credit Card Debt \$7,000

Student Loans \$30,000

Savings

Retirement \$15,000

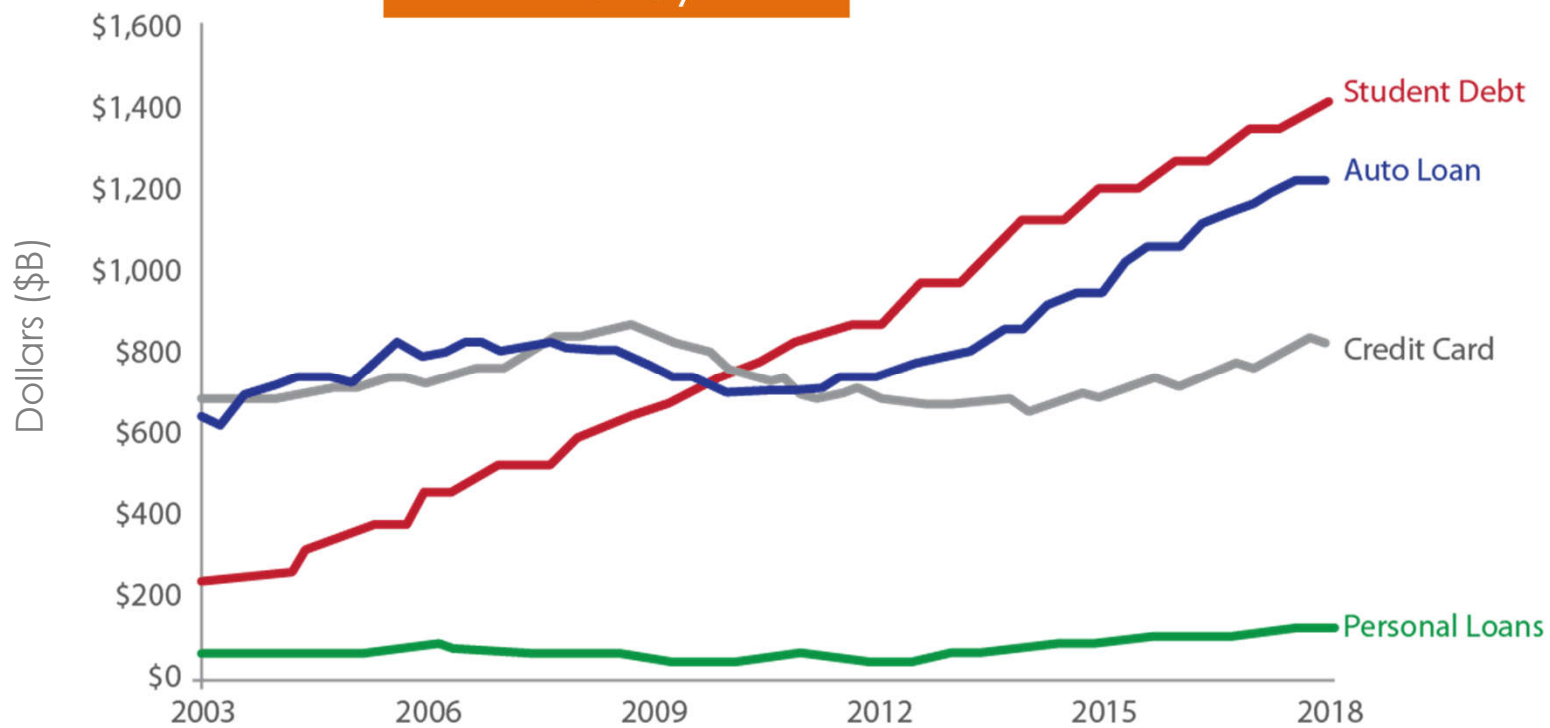
Non-retirement \$2,200

*Middle Age (30-40s)
Low retirement contributions
Lower cost insurance plans*

Dealing with debt



Momentum
Mandy



Federal Reserve Bank of New York Consumer Credit Panel / Equifax.

Momentum
Mandy

- Commit to a strategy
(snowball vs. avalanche)
- Accelerate pay off
- Avoid traps

Student Loans



Momentum
Mandy

\$30,000

10 Yrs

"Car note"

Forgive It

PSLF or 20+ yr

Crush It

Kitchen Sink

Does consolidation help?



Momentum
Mandy

Current situation



\$6,000 @ 19%



\$4,000 @ 29%

Consolidate loans



\$10,000 @ 8.5%

Increase credit score



21 Point Increase

Impact: 2 years later



30% higher debt



96% more likely default

Source: *Winners and Losers of Marketplace Lending: Evidence of Borrowers Credit Dynamics*

Case study



Broke Betty

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Monthly Snapshot



Income \$5,250

Expenses -\$4,600

Financial Fuel \$650

Debt

Credit Card Debt \$zilch

Student Loans \$8,000

Savings

Retirement \$175,000

Non-retirement \$18,300

*Middle Age (35-50s)
High retirement contributions
Homeowner*

Lots of concerns



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Are we aligned?



Buy or upgrade?



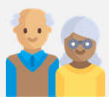
On track for retirement?



Buy or lease?



Kid's college?



Aging parents?

- Good choices on key life events
- Get aligned with partner on money
- Start with a financial advisor

Smart choices lower stress



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Alisha



Total payment <30% of THP



After tank #5



Understanding Medicare & LTC



Calculators + Humans

Aligning with partner



Collective
Goals

Individual
Freedom

Shared
Control



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Case study



Broke Betty

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Monthly Snapshot

Income	\$6,250
Expenses	-\$5,000
<hr/>	
Financial Fuel	\$1,250

Debt

Credit Card Debt	\$zilch
Student Loans	\$zilch

Savings

Retirement	\$425,000
Non-retirement	\$38,200

50+
High retirement contributions
Potential catch up contributions

- Define a clear path to retirement
- Temper fears (*recession, healthcare and identify theft*)
- Find an unbiased advisor

Recession vs. market decline



Finish Line Frida

Impact of Recessions on US Stock Market

Recession (duration in months)	Stock Market Impact
1937 (13)	-23.40%
1945 (8)	16.30%
1948 (11)	10.70%
1953 (10)	18.90%
1957 (8)	-5.70%
1960 (10)	10%
1969 (11)	-1%
1973 (16)	-6.60%
1980 (6)	6.80%
1981 (16)	9.10%
1990 (8)	0%
2001 (8)	0%
2007 (18)	-36.30%
Average (11)	-0.09%

Source: DJIA historic data; National Bureau of economic research



High: 18.90%

Low: -36.30%

Average: -.090%

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Complement Insurance and Investments

Give Authentic, Human Support

Complement insurance/investing



Insurance

On average, employees spend **15-30 minutes per year** to select how they'll address financial disaster



Investments

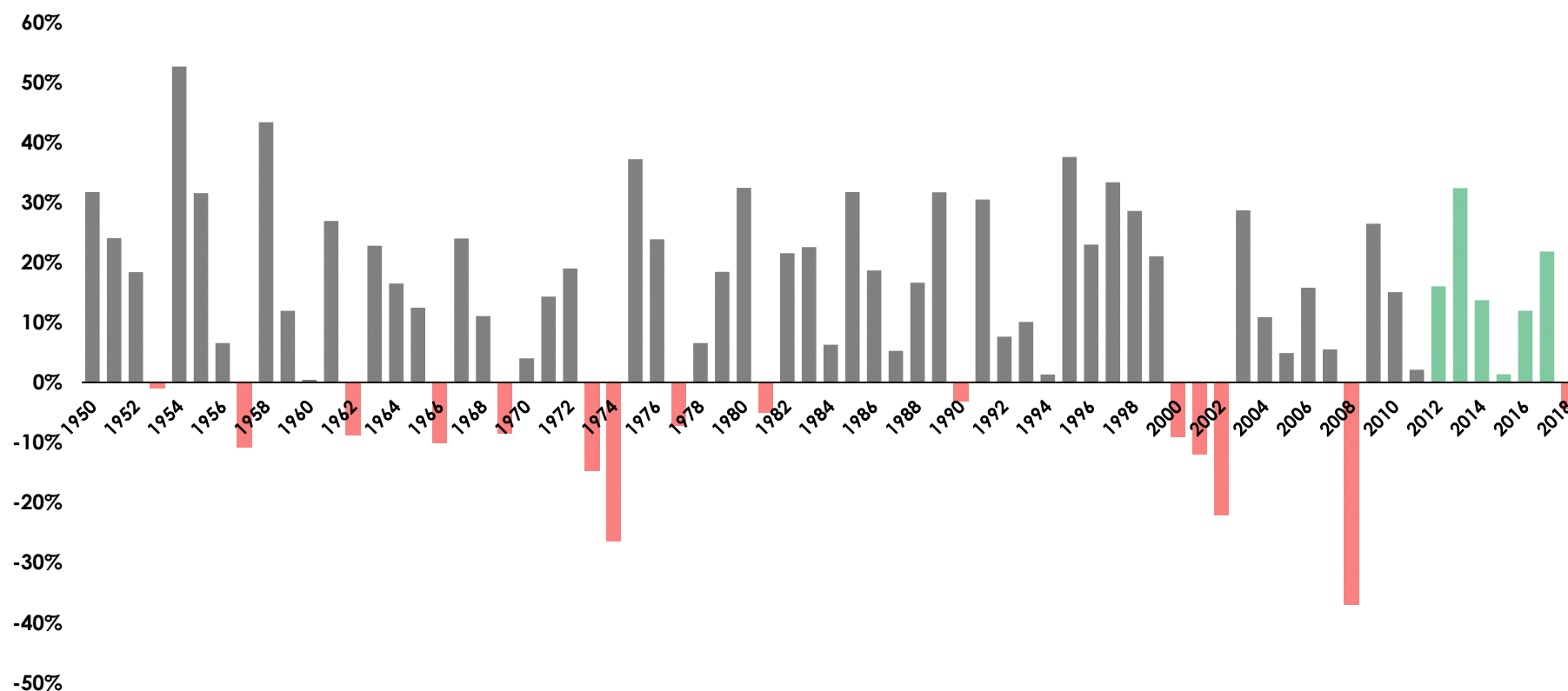
FFFEX



Understand risks



S&P500 Annual Returns 1950 - 2018



The Playbook



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Now, what do I do?



Broke Betty

Momentum Mandy

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	401(K)-BASED ADVICE	ROBO- ADVISORS	GENERAL ADVICE	OTHER ASSETS	OTHER LIABILITIES	CREDIT TOOLS	COLLEGE DEBT	SHORT-TERM LOANS	
ASSET GROWTH	 	 	 	 	 	 	 	 	LIABILITY
INSURANCE/PROT	 	 	 	 	 	 	 	 	INCOME/EXPENSE
	LIFE INSURANCE	MEDICAL AND DISABILITY INSURANCE	PROPERTY AND CASUALTY INSURANCE	OTHER INSURANCE AND LEGAL	OTHER EXPENSES	BUDGETING TOOLS	CASH-FLOW TRACKING	INCOME SMOOTHING	

Mercer 2017, Managing Employer Fiduciary Risk & Employee Financial Wellness

Right solutions but still confusing

80% can't do it themselves





Coaching Benefits



Clear direction



Encouragement



Accountability

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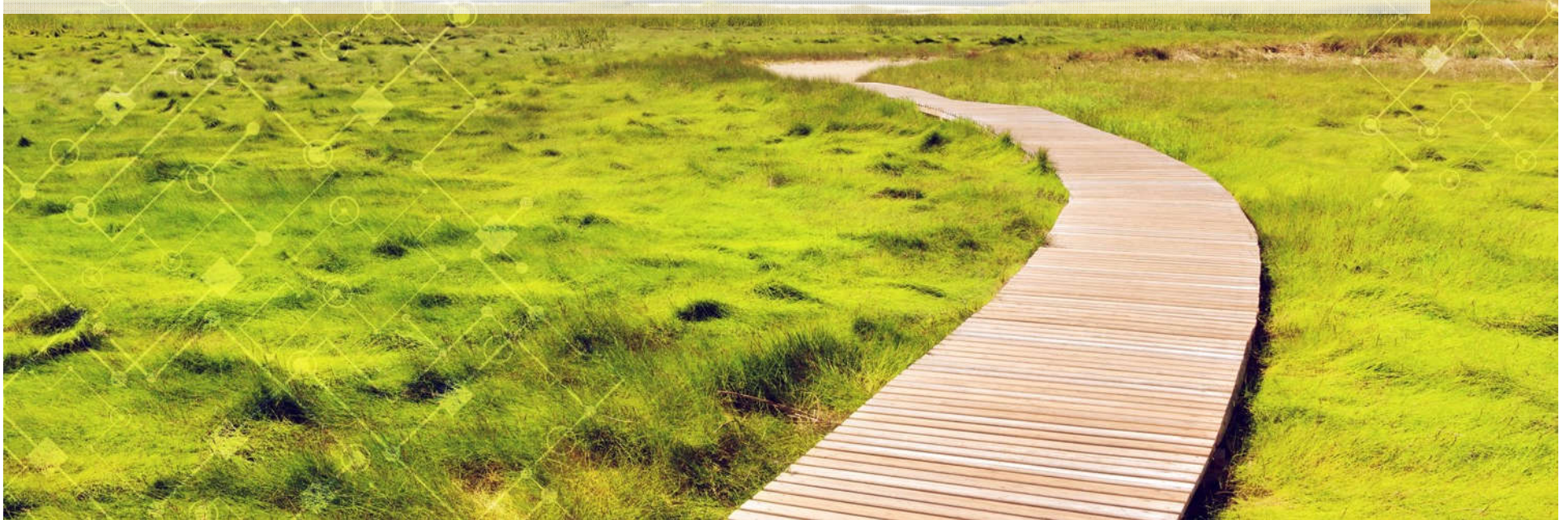
Parting shots

Get Started

Perfect is the enemy of
progress

Thank You

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Care Plans meet employees where they are



Financial Physical
1 call



Budget Bootcamp
5 calls; 28 days



Retirement Readiness
2 calls; 30 days



Love & Money
3 calls; 60 days



Suddenly Single
3 calls; 60 days



Paycheck Preview
1 call



Home Ownership
2 calls; 30 days



Car Buying
3 calls; 30 days



Ensuring Elder Care
3 calls; 30 days



Student Loan Crusher
2 calls; 30 days



FAFSA Friend
3 calls; 60 days



Military Transition
3 calls; 60 days



Parent Prep
2 calls; 30 days



Debt Disruptor
2 calls; 30 days



Surviving Severance
2 calls; 30 days

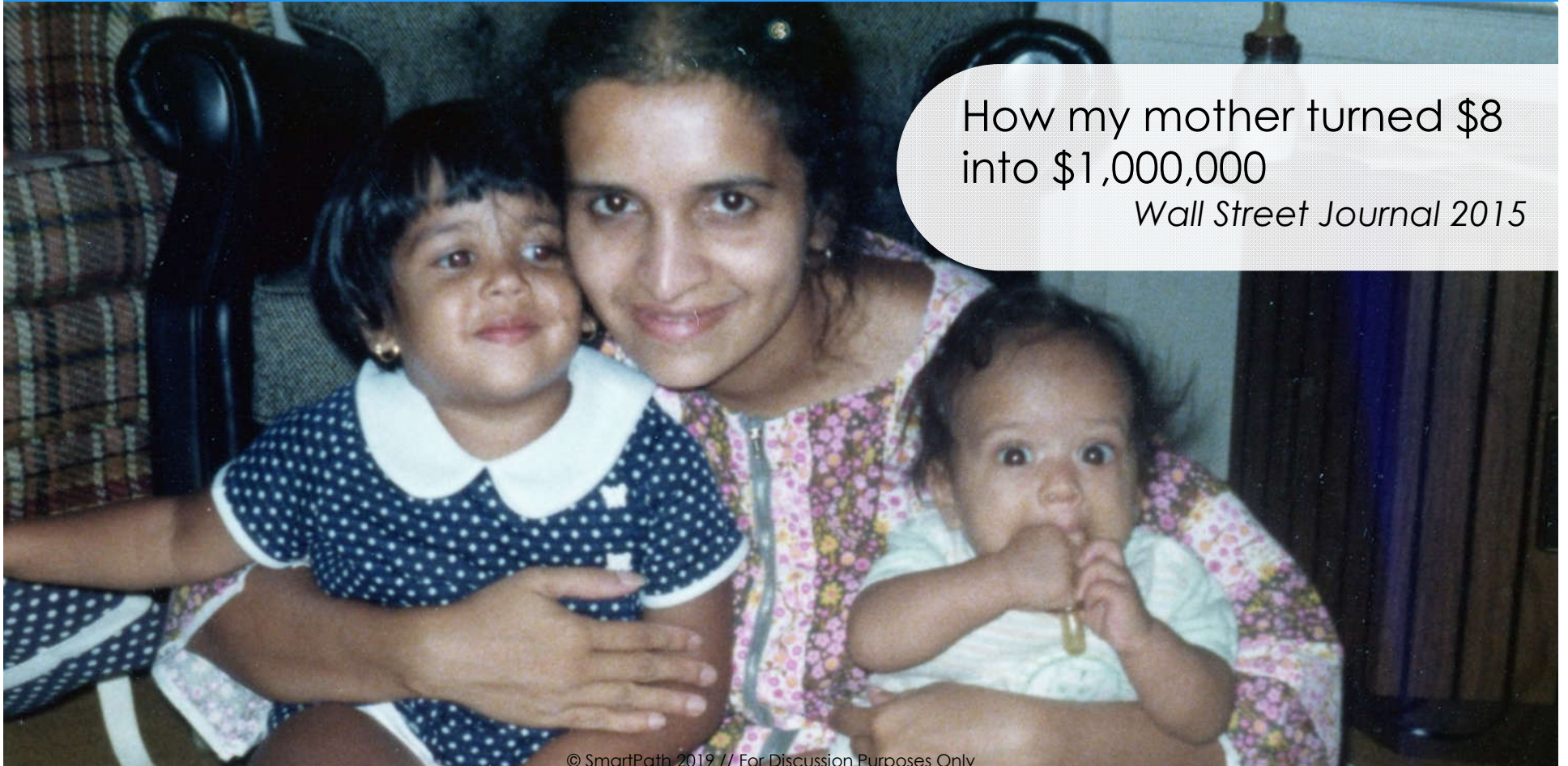
Let us be your SmartPath

An Inspired Approach



How my mother turned \$8
into \$1,000,000

Wall Street Journal 2015



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